components, gems & jewellery, drugs & pharmaceuticals and electronics hardware.

The Reserve Bank of India has continued its stance of following low interest rates in its latest credit policy announcement for 2003-04. Bank rate has been reduced to 6% from 6.25%. The Cash Reserve Ratio (CRR) has also been reduced to 4.50% from 4.75%. This will provide adequate liquidity to meet credit growth and support investment demand in the economy.

Restriction on Chinese Investments in Sensitives areas

29. SHRI ABANI ROY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to clamp down Chinese investments in sensitive sectors in the country;

(b) if so, the details thereof;

(c) whether DIPP has recently recommended that China be placed on a list of restricted countries under the provisions of the Foreign Exchange Management Act; and

(d) if so, to what extent Chinese investments in the country have been tightened?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYA SAGAR RAO): (a) to (d) The Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis, keeping in view the economic environment, strategic and safety/ security considerations. The policy incorporated as Schedule-I of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 does not restrict investments from China. FDI proposals, including proposals for investments from China, requiring prior Government approval are considered after necessary Inter-Ministerial consultations taking into account the sectoral policies as also strategic and security related considerations.